APPENDIX

Article 9(d):

"Inspection of material and finished articles to be incorporated in the work at the site shall be made at the place of production, manufacture, or shipment, whenever the quantity justifies it, unless otherwise stated in the specifications; and such inspection and written or other formal acceptance, unless otherwise stated in the specifications, shall be final, except as regards latent defects, departures from specific requirements of the contract, damage or loss in transit, fraud or such gross mistakes as amount to fraud. Subject to the requirements contained in the preceding sentence, the inspection of material and workmanship for final acceptance as a whole or in part shall be made at the site. Nothing contained in this paragraph (d) shall in any way restrict the Government's right under any warranty or guarantee."

Armed Services-Procurement Regulations:

Section 14.108

"Supplies and services that do not qualify under the criteria in Section 14.105-2 for Government inspection at source shall not be inspected by the Government at the subcontractor's plant or at a construction site".

Section 14.105-2

"Inspection at Source — Supplies and services shall be inspected at source where:

(i) inspection at any other point would require uneconomical disassembly or destructive testing;

(ii) considerable loss would result from the manufac-

ture and shipment of unacceptable supplies or from delay in making necessary corrections;

(iii) special instruments, gauges or facilities required for inspection are available only at source;

(iv) a quality control and inspection are closely related to production methods. . . "

Section 14.110.1

"Generally, the Government inspector shall sign or stamp the shipping papers, accompany service inspected supplies on both prime contracts and sub-contracts to release them for shipment."

Section 14.201(b)

"Acceptance shall ordinarily be accomplished by execution of an acceptance certificate on the applicable inspection and receiving report form (for example, DD Form 250, DD Form 1155, or Standard Form 44) or other written notice of acceptance. Where acceptance is accomplished at a point other than destination, supplies shall not be reinspected at destination for acceptance purposes. However, such supplies shall be examined at destination for damage in transit, quantity and possible substitution or fraud."

Section 14.204

"(A) Acceptance is the responsibility of the Contracting Officer or his authorized representative, where an activity uses services of another activity or department for the purpose of acceptance, acceptance by the other activity or department is binding on the activity for which services are performed."